

GREEN PAPER

Version 2.0 :: 10.01.2024



Introduction.....	01
Evolution	02
Challenges	03
Finance	04
Blockchain.....	05
Concept.....	11
Crypto.....	12
Banking	17
Ecosystem.....	18
Resources	20

OUR GOAL IS TO PROMOTE A TRANSPARENT, TOLERANT, AND ETHICAL APPROACH TO FINANCIAL TRANSACTIONS AND INVESTMENTS THAT IS FIQH-COMPLIANT

With the rise of Web3 and digital finance, blockchain technology has become an increasingly important aspect of the financial sector. However, the industry is often characterized by a focus on financial gain, which can overshadow ethical considerations. As a result, financial transactions and investments may not always align with different beliefs, especially with Islamic principles.

To address this challenge, we have created this comprehensive and in-depth analysis of the intersection between Islamic banking and blockchain technology and how Caizcoin manages to be the right solution for it. Our goal is to promote a transparent, tolerant, and ethical approach to financial transactions and investments that are Fiqh-compliant.

Blockchain technology has completely transformed the global banking industry, making secure, peer-to-peer transactions possible. It offers transparency, anonymity, security, and cost savings, which are all essential qualities that help FinTech significantly. This technology is based on a decentralized digital ledger that records transactions across multiple computers, making it easy for anyone to view, verify, and access the data without the need for central control. Even in the Organization of Islamic Cooperation countries where the Islamic banking principle is applied, blockchain technology has been a game-changer. Islamic banking adheres to Islamic Law, which prohibits the payment and collection of interest or Riba. Islamic banking channels employ equity participation systems, which enable the proportional sharing of business profits and losses, while strictly prohibiting usury and speculation. While the present-day banking infrastructure is compliant with blockchain technology, Islamic banking is taking the necessary steps to tweak its systems and products to adapt to blockchain technology and remain Fiqh-compliant. As a result, Islamic business communities are increasingly turning to blockchain technology to facilitate their transactions.

In the intersection between Islamic banking and blockchain technology, Caizcoin has emerged as the solution that bridges the gap between the two. It is the world's first Islamic digital ecosystem, designed to be Fiqh-compliant. Caizcoin offers an alternative to the conventional banking system, which is not always fair and compatible with Islamic principles.

ISLAMIC BANKING EVOLUTION

Islamic banking is a rapidly growing industry, with a projected CAGR of over 10%. According to studies, the Middle East and North African countries are leading the way in Islamic banking growth (Mordor Intelligence, 2022).

The rise of smartphones and fast internet has fueled this growth, particularly in Islamic countries. Islamic banking is traditionally conservative and risk-averse, making blockchain technology an ideal fit for its transactions. Blockchain technology provides 100% security, immutability, and transparency. Emirates NBD (UAE) and ICICI Bank are among the Islamic banks that have already implemented blockchain technology to reduce transactional costs.

Additionally, Blossom Finance, an Indonesian investment organization, has determined that cryptocurrencies are compatible with the Islamic definition of money, making Bitcoin permissible under Islamic Law. This compatibility has made it convenient for Islamic banking institutions to adopt blockchain technology, which brings various benefits and creates new business opportunities for investors.



The rise of smartphones

The rise of smartphones and fast internet has fueled this growth, particularly.



Blockchain ideal fit

Blockchain technology provides 100% security, immutability, and transparency.



Fast Internet

The availability of fast internet connections has enabled users to transfer data quickly and facilitating smoother communication.



Blossom finance

An Indonesian investment organization, has determined that cryptocurrencies are compatible with the Islamic definition of money.



PRIMARY CHALLENGES OF ISLAMIC BANKING

The Fiqh-compliant norms largely guide Islamic finance. After originating in the 1970s, the concept of Islamic finance spread to non-Muslim countries.

The Islamic community has spread worldwide and numbers over two billion. Islamic banking prohibits receiving and paying interest in the first place, and depositors or investors do not get fixed or guaranteed deposit returns. Islamic banking treats interest payment as a form of gambling (Maisir).

Besides, Islamic banks can create debt only when backed by specific underlying assets, like gold, ruling out various facets of conventional banking, like options, derivatives, and futures used mostly by Western financial organizations. To avoid uncertainty, speculation, and interest payments, Islamic banking emphasizes contractual relationships, which increases administrative costs and makes it challenging to do business. Blockchain technology offers solutions to some of the challenges faced by Islamic banking.

Blockchain's features of reduced costs, transparency, security, and irrevocability appeal to Fiqh principles, making it an ideal fit for Islamic banking. Islamic fintech organizations can use decentralized finance to provide Fiqh-compliant services and products. Smart contracts, which are an essential feature of blockchain technology, can help make Islamic banking activities more convenient and reduce legal complexities associated with contractual relationships, uncertainty, speculation, and interest payments.

THE FOLLOWING ARE THE ESSENTIAL PRINCIPLES OF ISLAMIC FINANCE:

Prohibition of interest

Any return over the predetermined loan amount is prohibited. The Sunnah of the prophet and the Holy Quran are testimony to the ban on interest. The Quran (2:278) states, "O true believers of Allah, give up what is due to you from usury (interest)." Other examples of Quranic verses with similar prohibitions are 2:275-276, and 3:130.

Profit and loss sharing

Islamic banking and finance differ from conventional banking and finance in that it bases itself on the profit and loss sharing principle. The user and lender of the funds decide to invest under the Shirkah agreement. i.e., they must share the profit/loss from the investment according to the agreed ratio/capital contribution. It is a principle that discourages a person from becoming a creditor. The rule in Islamic law that justifies the concept is "al ghum bil ghum," meaning there cannot be a return without risk.

Prohibition of gambling (maisir) and uncertainty/speculation (gharar)

Islamic banking and finance prohibit gambling transactions. It is stated in the Quran: "O believers of Allah, intoxicants, gambling, al-ansab (stones for occult rituals), and al-azlam (arrows to seek decision or luck) are symbolic of Shaitan (Satan). Hence, strictly avoid the abomination to be successful. (5:90). Additionally, the principle demands that the contract be free from risk and speculation. In Islamic law, any payment must be free from gharar (risk, uncertainty, or hazard). It refers to the doubtfulness of delivery or absence of information intended to cause damage. Cryptocurrency is not deceptive and more certain because the involved parties have adequate knowledge of the product and the market.

Prohibition of unethical investment or business

The Islamic banking and finance principles prohibit investments in restricted commodities or unscrupulous deals. It only supports products and activities that are Fiqh-compliant. For example, the Quranic verse 5:3 of chapter Maidah prohibits pork and alcohol trading. For instance, a blockchain platform that adheres to Islamic finance ethics and standards and abstains from conducting business with organizations that engage in activities prohibited by Islamic beliefs, such as arms, alcohol, tobacco, adult entertainment, and pork industry.

WHAT BENEFITS DOES BLOCKCHAIN TECHNOLOGY BRING TO ISLAMIC BANKING?

Blockchain technology is highly suitable for Islamic banking, providing a range of operational benefits that align with Islamic banking principles. It offers solutions for reducing costs, increasing safety, and ensuring compliance with Islamic principles. In addition to operational benefits, blockchain technology presents an opportunity to promote the true spirit of Islamic financial principles such as trust, equality, and fairness in Islamic finance. Smart contracts simplify the legal and administrative complexities of Fiqh-compliant financial products, making blockchain technology an appealing option for Islamic banks.

Crypto service providers have also adapted to Islamic banking principles, with some cryptocurrencies backed by specific amounts of physical gold, gaining approval from Islamic scholars. The flexibility of blockchain technology due to 100% automation is increasingly appealing to all banking activities. The safety of funds is another positive aspect of blockchain technology, further encouraging Islamic banking institutions to adopt it. The benefits when blockchain technology intersects with Islamic financial principles are listed as follows:

Lower Transaction Fees

the adoption of blockchain technology allows financial institutions to reduce transaction fees significantly. This feature is especially beneficial for Islamic banking, where paying or receiving interest and commissions is prohibited under Islamic banking principles.

Value-Added Products

blockchain technology also offers the opportunity to develop value-added products that can open fresh revenue streams and financial markets for Islamic banking. This presents a significant opportunity for growth and expansion in the industry.

Compliance Board

The Shariah boards require knowledgeable professionals to issue opinions and recommendations on whether the activities connected with Blockchain technology are Shariah compliant.

Promoting Shariah Principles

the principles of justice, confidence, and equality promoted by blockchain platforms and cryptocurrencies align perfectly with the spirit of Shariah principles governing Islamic banking products and services. By adopting blockchain technology, financial institutions can promote these principles, thereby ensuring compliance with Shariah standards.

Zakat

is considered one of the strongest pillars of Islam as it deals with the charitable concept of transferring money or property from the rich person to the needy. However, the process involves verifying a lot of details. Hence, there are chances of errors. Blockchain technology makes the entire Zakat process trackable, immutable, and auditable, enhancing transparency, a prime requisite of Shariah compliance.

HOW BLOCKCHAIN CAN BE APPLIED IN ISLAMIC BANKING?

By utilizing blockchain technology, financial institutions can not only reduce transaction fees but also create innovative products and services that can lead to new revenue streams and markets. In recent years, blockchain technology has gained immense popularity within the financial sector due to its ability to enhance efficiency, increase security, traceability, automation, and speed, providing numerous benefits that align with Fiqh-compliant principles. Blockchain technology can be applied as follows:

Digital Currencies

Cryptocurrencies, which are digital assets that require a complete process to manage the services and come with improved security and rewards for cryptocurrency miners, can be used to comply with Islamic law's principles on finance beyond interest-free banking and speculative investments based on profit and return-sharing individuals.

Digital Wallets

the adoption of blockchain technology allows financial institutions to reduce transaction fees significantly. This feature is especially beneficial for Islamic banking, where paying or receiving interest and commissions is prohibited under Islamic banking principles.

Smart Contracts

Smart contracts which act as legal contracts between two individuals or parties can prove integral to Islamic banking by eliminating uncertainty, reducing costs, and providing transparency. They are electronically coded documents that execute themselves once the conditions are met, and they automate the process, mitigating operational and counterparty risks, taking care of redundancies and administrative and legal complexities, and reducing their high costs. Smart contract transactions are traceable but irreversible, thus eliminating the risks of moral hazards among the participants. Smart contracts tie in with Islamic values and principles, allowing for the digitization of Islamic banking and creating new business opportunities and markets for investors. Smart contracts tie with Islamic values and “Muamalat” principles. These principles reflect the underlying values of ethics, social justice, and fairness that are at the heart of Islamic finance.

Payment and Remittances

You can use blockchain technology to send payments through a bridge asset, allowing a more efficient wealth transfer through borderless digital transfers. Blockchain-enabled remittance makes the movement of funds much more inexpensive, which will benefit many Muslims and non-Muslims, who need to send finances to their families in other countries. Blockchain applications will connect senders cross-border, re-routing finances domestically.



Besides remittances,
the following Islamic
financial transaction
systems can be done:



**Blockchain
Applications**



Takaful

Takaful represents the Islamic
cooperative reimbursement system.



Takaful

This system is similar to insurance and
can use Blockchain technology to
process claims accurately.



Besides remittances, the following Islamic financial transaction systems can be done:



Blockchain Applications



Waqf

Waqf represents the donation of a fixed asset, like land or property, under Islamic law to produce a financial return.

Waqf is integral to Islam as it draws inspiration from the spirit of charity in the Sunnah and the Quran (Muneeza, 2018, Ghazi, 2019)



Waqf

These transactions require high transparency, which is possible through distributed ledger technologies like Blockchain. There are already use cases applications that use Blockchain technology and smart contracts to manage money execution activities of Waqf Boards, trusts, NGOs, and even corporate CSRs.



Sukuk

Sukuk is a Fiqh-compliant bond tied to real projects (Chong, 2021). With these smart contracts, transactions and deals can be more authentic.



Sukuk

Blockchain technology is ideal for issuing Sukuk as it does not involve intermediaries and reduces costs substantially. You can use Blockchain technology to track assets and cash flows.

Data Availability, Integrity, Reliability, and Consistency

All data gets documented and shared using blockchain applications, ensuring its integrity, consistency, and reliability. It also ensures the security of your data.

Security

Since cloud storage facilities are decentralized and not controlled by central authorities, manual transactions are hardly necessary. It significantly reduces the risk of cyber-attacks or loss of sensitive data with Islamic banking and commerce.

Economic Inclusion and Poverty Alleviation

Blockchain can provide a transparent, cost-efficient, and private platform for reducing poverty while providing safe and affordable Islamic financial products and services.

Access to Financial Markets to All

Blockchain applications provide digitally delivered products and services worldwide, giving individuals the freedom to access savings, investments, insurance, and more from any part of the globe.

Shariah governance and Shariah audit

Shariah governance depends on clearness and information consonance between the auditee and the Shariah auditor. An audit reviews the Shariah compliance of the commerce in a duration supported by relevant, dependable, accurate, and verifiable proof. Blockchain technology can simplify the Shariah audit experience by facilitating auditors to deploy automation, analytics, and machine learning capacities to alert Shariah compliance risks in real time. Auditors could also encrypt and securely hold contracts, agreements, asset orders, invoices, and all crucial documentation involved with blockchain applications.

CONCEPT OF MONEY IN ISLAMIC FINANCE

Islamic Finance principles dictate that money must be stable and asset-based, serving specific purposes. The Islamic criteria for holding money include transaction and precautionary motives, while speculation is strictly prohibited. Trading commodities using money is allowed, but using money itself as an item for profit is not allowed. Islamic finance sees money and transactions through a different lens. Islamic Law has no specific requirements for the characteristics of money, but it should be equitable and benefit people's lifestyles.

According to Imam Al-Ghazali, dirham and dinar were created by Allah to be circulated, and they should be equitable. They should be a standard between various assets. Imam Ibn Taymiyah states that when someone sells currencies on a deferred basis, it opposes the purpose of the measure of the value of the money (Ozиеv & Yandiev, 2018).

Summarizing Islamic Law, it is evident that Islam perceives money as an entity that has the following characteristics:



It can be of any material, like wood, plastic, or metal.



The money emitter should refrain from making transactions where the purpose is to generate more money.



There is no law prohibiting the currency of other countries.



There are no restrictions on the exchange of money and its transfer.

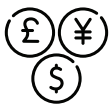


Monetary circulation should benefit peoples' lifestyles.



There should be a transparent ownership right of money for individuals.

COMPARISON OF FIAT MONEY AND CRYPTOCURRENCY



FIAT MONEY VS CRYPTOCURRENCY



When comparing Cryptocurrency and fiat money, Cryptocurrency has little or no level of maisir or gharar -risk, uncertainty, or hazard.

Fiat money can contradict Islamic banking and finance principles (Anwar and Haque, 1993). Fiat money has high gharar components and breeds inflation like demand-pull inflation (more money chasing lesser goods), which causes rapid devaluation of fiat money (Muedini, 2018). Moreover, in the context of Islamic jurisprudence, the issuance of fiat currency is deemed to potentially be incompatible with the principles of economic justice. This is because it grants the government the authority to expropriate goods and services from citizens without their explicit consent, contravening the ethical and legal norms enshrined in the Quran (2:188).

Cryptocurrency is more transparent because every transaction gets stored in a large circulated public ledger (Blockchain) (Bultin, 2022). Therefore, it offers a lower risk level than fiat money.

Additionally, Cryptocurrency can be deflationary compared to gold and commodities that serve as hedging tools. Where the hyperinflation witnessed by Venezuela (Forbes, 2018) forced people to turn to gold and other commodities to preserve their wealth, Cryptocurrency could fit in easily.

Some Islamic scholars have termed Cryptocurrency as halal (legitimate) as a payment network. It goes beyond what conventional and closed banking networks offer. The traditional bank uses private ledgers and provides no guarantee that the originator owns the underlying asset (Shazia, 2021). Cryptocurrencies guarantee that the transaction originator owns the underlying asset with mathematical certainty. Furthermore, conventional banks operate through a fractional reserve, which Islam prohibits. Cryptocurrencies are not based on debt but on proof-of-work/proof-of-stake; hence, they are not haram (forbidden).



CRYPTO CURRENCY

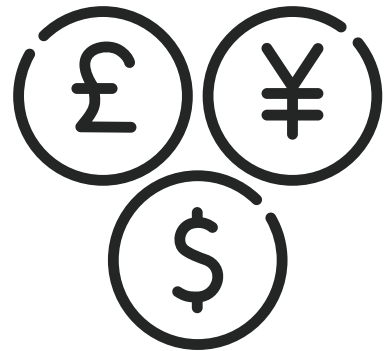
Little to no gharar

Absence of interests

Deflationary demand

Transparent, used to generate wealth

Owned and emitted by users themselves



FIAT MONEY

High gharar

Presence of interests

Inflationary demand

Potentially used to subtract value away

Owned and emitted by a central authority

CHARACTERISTIC FEATURES OF CRYPTOCURRENCY

Since cryptocurrency is in the form of digitally secured data on an information system, no one can steal or copy it. The financial system exchanges cryptocurrency for other currencies, savings, and transactions. While working with cryptocurrency, three levels must be considered (Ozиеv and Yandiev, 2018).

1 LEVEL



Any person can own cryptocurrency or use it for transactions. They need to use a particular software or a wallet where their ownership of the amount is proven. Also, someone can use fiat currency to purchase cryptocurrency to store them in the wallet.

2 LEVEL



Users can emit or generate cryptocurrency. The user needs to use special software capable of solving advanced mathematical puzzles that the system generates to create new crypto coins in the case of proof-of-work cryptocurrencies.

3 LEVEL



Once a user solves this puzzle faster than others, they own the right to execute the transactions that the other holders have in the blockchain network at that moment.

The below table evaluates whether currencies comply with the requirements of Islamic Law. For this purpose, Bitcoin and Caizcoin are taken as standards.



DEEPER LOOK INTO CRYPTOCURRENCY

The compliance of cryptocurrencies with Islamic principles remains a subject of debate. While Bitcoin, the most popular cryptocurrency, has raised concerns regarding its compliance, Caizcoin presents itself as a halal alternative that addresses these concerns more effectively. One of the main concerns regarding the compliance of cryptocurrencies with Islamic principles is their stability, security, and ethical conduct. It is important to note that not all cryptocurrencies meet these criteria, and the compliance of each cryptocurrency must be evaluated on a case-by-case basis.

According to The Shariah Review Bureau (2018), cryptocurrencies and crypto tokens can be identified as money as per Shariah, as they are in line with the characteristics of exchange transactions and other requirements like Haqq (right), Manfa'ah (usufruct), Maal (property), and Dayn (liability). However, this does not necessarily mean that all cryptocurrencies are automatically halal.

To ensure that a cryptocurrency project is being used in a halal way, the project's creators should consider implementing mechanisms and policies that promote transparency, accountability, and ethical conduct. This could include clearly defining the purpose and use cases of the cryptocurrency, establishing a governance framework that outlines the rules and regulations for using the cryptocurrency, implementing a halal certification process, collaborating with Islamic scholars and experts, and monitoring and enforcing compliance.

It is important to note that using cryptocurrency for legitimate transactions is not considered haram under Shariah, which aligns with the benefits of blockchain technology. Moreover, according to Islamic Law, money should have an underlying value backed by assets.

Cryptocurrency projects should consider implementing mechanisms and policies that promote halal use and monitor and enforce compliance to ensure that their cryptocurrency is being used in a way that aligns with Islamic principles. Whether Bitcoin in particular is halal or not depends on how it is used and the specific criteria used to evaluate its compliance with Islamic principles.

Transparency

Bitcoin is transparent, as all transactions are recorded on a public ledger called the blockchain. However, some scholars argue that Bitcoin's anonymity feature may be used for illicit purposes, which could potentially make it non-compliant with Islamic principles.

Stability

One of the main concerns about Bitcoin is its price volatility, which contradicts the stability requirement in Islamic finance. In contrast, Caizcoin introduces a deflationary tokenomics model that has a stabilizing effect on the price over time. By reducing the relative supply gradually and encouraging long-term holding, Caizcoin aims to provide a more stable option for Muslims.

Security

Bitcoin is secured by the blockchain, which is considered a secure technology. However, the safety of Bitcoin also depends on the security measures taken by its users, such as securing their private keys. In comparison, Caizcoin takes security to the next level by implementing additional features such as a recovery system and an inheritance system. These features provide enhanced protection and peace of mind to Caizcoin holders, especially in the event of lost or inaccessible private keys or unfortunate circumstances such as the passing away of the owner.

Asset-backed

Bitcoin lacks direct backing by physical assets, which raises questions about its compliance with Islamic principles. Caizcoin takes a different approach. Instead of relying on physical assets, Caizcoin is backed by a vibrant community of verified individuals within the ecosystem. This unique concept ensures that the value of Caizcoin is tied to real people and their contributions, fostering trust and aligning with Islamic principles.

Avoidance of Speculation and Interest-Bearing Products

The financial world has witnessed the creation of various speculative and interest-bearing products built on top of Bitcoin, which raises concerns about its compliance with Islamic finance. Caizcoin, on the other hand, focuses on promoting a transparent and ethical ecosystem that strictly adheres to Islamic principles. By fostering a community that values ethical conduct and avoiding speculative practices, Caizcoin distinguishes itself as a more suitable choice for Muslims seeking halal financial options.

Caizcoin aims to offer a comprehensive alternative for Muslims, addressing the concerns raised by Bitcoin's compliance with Islamic principles. By prioritizing stability through deflationary tokenomics, backing the coin with a verified community of individuals, and promoting an ethical ecosystem free from speculation and interest-based products, Caizcoin provides a halal option that aligns with the values of Islamic finance.



Transparency



Stability



Security



Asset-backed



**Avoidance of Speculation and
Interest-Bearing Products**



After evaluating Table 4, using cryptocurrency is a novel concept for society. Islamic finance allows for the use of cryptocurrency with certain restrictions. Acquiring cryptocurrency to settle payments immediately or pay for goods and services is permitted. Bitcoin offers two ways to obtain cryptocurrency: solving mathematical problems in blockchain and approving third-party transactions to earn commissions. As per the evaluation, the use of cryptocurrency in Islamic finance is neither haram nor halal but has a neutral stance. This can be defined as "Jaiz," meaning it is not religiously restricted but is allowed. Islamic law does not provide specific provisions for cryptocurrency use, but it is essential to follow clauses that prevent the misuse of money. Cryptocurrency and blockchain technology are not restricted by Islamic law and can be considered Jaiz or allowed. It is important to adhere to religious commands applicable to money transactions while handling cryptocurrency.

ISLAMIC BANKING PRINCIPLE PREVENTS MONEY LAUNDERING ACTIVITIES ONLINE WHEN BLOCKCHAIN IS APPLIED

Like any other financial institution, Islamic finance risks money laundering and funding terrorist activities (Kyriakos-Saad, Vasquez, Khoury, & Murr, (2016). Islamic finance has more stringent norms than traditional practices. Due to anonymity, the funds generated from cryptocurrency can find their way into unlawful activities. Tracing the digital footprints of anonymous cryptocurrency users can help counter online terrorism. While blockchain technology's anonymity can reduce corruption and fraud, it can also be exploited by malicious actors and extremists. To aid in Anti-Money Laundering (AML) and stop criminal activity, particularly terrorist funding, drug and human trafficking, and other illegal activities. Islamic Blockchain, which prevents crimes like money laundering, theft, and gambling according to Islamic law, helps make transactions Fiqh-compliant, benefiting Islamic financial institutions. Organizations like AAOIFI and IFSB set ethical guidelines and standards for financial actions based on Fiqh-compliant principles. Cryptocurrency is significantly beneficial in any Islamic financial institution, but it is crucial to adopt proper AML regulations to prevent money laundering incidents. A more stringent KYC process is a necessity for Islamic financial institutions to identify whether the source of funds is cryptocurrency and prevent the use of money obtained by selling cryptocurrency in money laundering or other unlawful activities. The norms of Islamic banking largely guide Islamic finance, and it has more stringent norms than traditional practices. Therefore, Islamic finance institutions need to take necessary measures to ensure AML, particularly when the source of funds is cryptocurrency. Proper AML regulations in Islamic Blockchain are of utmost importance to prevent any money laundering incidents.

Using blockchain, cloud storage facilities are decentralized and not controlled by central authorities, manual transactions are hardly necessary. It significantly reduces the risk of cyber-attacks or loss of sensitive data with Islamic banking and commerce.

CAIZCOIN: THE FIRST ISLAMIC CRYPTOCURRENCY ECOSYSTEM

Caizcoin, the first Islamic cryptocurrency ecosystem, is built on blockchain technology and adheres to Islamic finance ethics and standards. Caiz derives its name from the Arabic term for 'loyal and legal,' reflecting reality's mission to represent underbanked and unbanked markets in the Middle East and Africa, South and Central America, Eastern Europe, and Asia Pacific. Caizcoin's key characteristics are a permissioned ledger, low latency, multi-currency support, low transaction fees, and low energy usage. There are several other factors that make Caizcoin a great match:

Compliance with Islamic Financial Law

Islamic financial law requires that investments be made in accordance with ethical and socially responsible principles. This means that investments must not be made in businesses that engage in activities that are considered haram or forbidden in Islam, such as arms, alcohol, tobacco, the adult industry, or the pork industry. Caizcoin adheres to these principles by guaranteeing no business with organizations active in such activities.

Approval from Islamic Scholars

Caizcoin has received approval from Islamic scholars who have issued the Fiqh certificate certifying its compliance with Islamic financial law. This certificate is a legal opinion provided by qualified Islamic scholars and serves as proof that Caizcoin is halal.

Fiqh-Compliant Transactions

In Islamic finance, transactions must adhere to Fiqh-compliant principles, which require that transactions be based on mutual consent, transparency, and fairness. Caizcoin ensures compliance with these principles by utilizing a permissioned ledger that allows only authorized users to participate in transactions, providing transparency, and eliminating the possibility of fraudulent activities.

Two-Factor Authentication

Caizcoin also ensures data security through its use of two-factor authentication, which requires a unique code sent to the user's email and password. This ensures that only the authorized user can access the Caizcoin wallet and make transactions.

Compliant with AAOIFI Standards

Caizcoin also complies with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards, which are globally recognized as the most comprehensive and authoritative standards for Islamic finance. This compliance ensures that Caizcoin is a trustworthy and reliable cryptocurrency for Muslims.

SUMMARIZING

Fintech innovations have transformed the banking sector, and mainstream banking has adopted these changes. Islamic banking has also recognized that these innovations align with its core principles. The technological advancements of fintech enhance transparency, promote ethical business practices, and align with Islamic banking principles. Studies reveal that Islamic banking has more potential than conventional banking to catch up with and adapt to fintech innovations (Rabbani, 2020). Blockchain technology can reinvigorate Islamic finance and help it achieve its goals. The storage and retention methods of blockchain technology enhance trust, honesty, and reduce fraud. These qualities align with the values of Islamic Law, making blockchain technology compatible with Islamic banking. Unlike conventional banking systems, Islamic banking was less affected by the global financial crisis due to its prohibition of risk-taking (gharar). Therefore, it has emerged as a viable alternative to mainstream finance (Rabbani, 2020). The integration of blockchain technology in Islamic banking and finance has significant potential for growth and development.

Caizcoin is the ultimate solution that consciously opens the financial market to underbanked people and Muslims, offering a cryptocurrency that complies with Islamic banking rules. By bridging blockchain technology with Islamic principles, Caizcoin provides a cost-efficient and quick way to transfer money internationally. With the Islamic world relying heavily on inward remittances, Caizcoin is the perfect instrument for being financially independent while adhering to the highest ethical standards. Caizcoin is the door-opener of the next stage of financial development.

- Blossom Finance. Blossom Finance halal investments in micro-businesses.
- DePietro, A. (2018, July 11). Blockchain and Islamic banking are working together, and everyone stands to benefit. Forbes.
- Higgins, S. (2016, October 12). Emirates NBD, ICICI complete cross-border blockchain transaction. CoinDesk.
- Tarver, E. (2022, March 15). Islamic Banking. Investopedia.
- Aziz, A. H. A., & Zhang, W. (n.d.). Can Islamic social finance be the key to ending poverty and hunger? Retrieved August 18, 2022, from World Bank Blogs website
- Blockchain in Islamic banking. (2018, November 7). Retrieved August 18, 2022, from AIMS website
- Fintech and Shariah Principles in Smart Contracts. (n.d.). Retrieved August 18, 2022, from Researchgate.net website
- Louw, L. (2022, March 8). How Islamic finance can leverage blockchain technology. Retrieved August 18, 2022, from BSV Blockchain website
- Todorof, M. (2018). Shariah-compliant FinTech in the banking industry. ERA Forum, 19(1), 1–17. doi:10.1007/s12027-018-0505-8
- The Economist (2020). Islamic fintech: Reaching the next generation of Muslims, Retrieved August 18, 2022, from Economist.com
- E-Wallet Transactional Framework for Digital Economy A Perspective from Islamic Financial Engineering. (n.d.). Retrieved August 18, 2022, from Researchgate.net website
- Adam, M. F. (2022, March 6). Integrating blockchain in Islamic finance. Retrieved August 18, 2022, from Amanah Advisors website
- Amalin, G. (2018). The legality of cryptocurrency trade in accordance with the principles of Islamic Banking Law. Universitas Islam Indonesia.
- Hanke, S. (2018, August 18). Venezuela's great bolivar scam, nothing but A face lift. Forbes.
- Is bitcoin halal: Sharia rules and interpretation. (n.d.). Qardus. Retrieved August 21, 2022
- Muedini, F. (2018). The compatibility of cryptocurrencies and Islamic finance. European Journal of Islamic Finance, 10.
- Siswanto, D., Handika, R., & Mita, A. F. (2020). The requirements of cryptocurrency for money, an Islamic view. Heliyon, 6(1), e03235.
- Whitfield, B. (n.d.). What is blockchain technology? How does it work? BuiltIn.com. Retrieved August 21, 2022
- (N.d.-a). Imf.org. Retrieved August 21, 2022
- (N.d.-b). Jstor.org. Retrieved August 21, 2022
- Malik, N. (2018, August 31). How criminals and terrorists use cryptocurrency: And how to stop it. Forbes.
- LexisNexis. Anti-money laundering (AML). LexisNexis
- Mdsny.com. 33 alarming cybercrime statistics you should know. <https://www.mdsny.com/33-alarming-cybercrime-statistics-you-should-know/>

- Chainalysis. (2022, January 6). Crypto crime trends for 2022: Illicit transaction activity reaches all-time high in value, all-time low in share of all cryptocurrency activity.
- Kyriakos-Saad, N., Vasquez, M., Khoury, C., & Murr, Arz. (2016, February). Islamic Finance and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). IMF.
- Jabbar, S. (2011, July 19). Money laundering laws and principles of Shari'ah: dancing to the same beat? *Journal of Money Laundering Control*, 14(3), 198–209.
- Kollewe, J. (2017, December 4). Bitcoin: UK and EU plan crackdown amid crime and tax evasion fears. *The Guardian*.
- Zainuddin, A. (2017, March 29). Blockchain in Islamic Finance. *Ethis*.
- Carapella, F. and Flemming, J. (2020, November 9). Central Bank Digital Currency: A Literature Review. Federal Reserve.
- Oziev, G. and Yandiev, M. (2022, January 18). Cryptocurrency from Shari'ah Perspective. SSRN.
- Maierbrugger, A. (2017, February 7). Islamic finance and digital currencies: The halal aspect. *Gulf Times*.
- Kyriakos-Saad, N. et al., (2016, January). Islamic Finance and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). IMF Working Papers. 16. 1. 10.5089/9781513516158.001.
- Sanction Scanner. (2022, September 19). Islamic Finance and Money Laundering.
- Chong, F. (2021, April 11). Enhancing Trust through Digital Islamic Finance and Blockchain Technology. *Qualitative Research in Financial Markets* 13 (3): 328–41.
- Shakhidi, K. (2022, August 1). Why Blockchain is geared to revolutionize Islamic finance. IFLR.
- Market Data Forecast. Fintech market.
- Salaam Gateway. Global Islamic fintech report 2021.
- Mordor Intelligence. Islamic Finance Market – Growth, Trends, Covid-19 Impact, and Forecasts (2022-2027).
- Rabbani, M. & Khan, S. (2020, February). FinTech, Blockchain and Islamic Finance: An Extensive Literature Review. *European Research Studies Journal* XXIII (Issue 1):348-367.
- Muneeza, A., Arshad, N., & Arifin, A. (2018, July). The Application of Blockchain Technology in Crowdfunding: Towards Financial Inclusion via Technology. Research Gate.
- Gazali, H. & Ismail, C. (2019, June 30). A conceptual framework for cash waqf with Blockchain in financing education for the Islamic religious school in Malaysia. *Semantic Scholar*
- Alaeddin, O., Dakash, M., & Azrak, T. (2021). Implementing the Blockchain Technology in Islamic financial industry: Opportunities and challenges. *Journal of Information Technology Management*.
- Marín, G. & Sanchez, S. (2021, July 19). At the junction of technology and Islamic finance. *IE Insights*.